

NOTES

All years are calendar years unless otherwise indicated.

Numbers in the text and tables of this report may not add to totals because of rounding.

i. ACKNOWLEDGEMENTS

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ii. PREFACE

Purpose of Report

This report was developed to meet the requirement under Health-General Article, §19-1502(c)(7), that directs the Maryland Health Care Commission to annually report on ***total reimbursement in the state for health care services***. The MHCC recognizes that this is just one additional step in a long-term process towards providing the public and private industry with better information on which to make decisions.

Organization of Report

This report is presented in four chapters. ***Chapter 1 outlines the report's objectives and procedural changes from previous years.*** It also describes the data limitations that should be considered when interpreting results from subsequent chapters.

Chapter 2 discusses health resources and the health status of the Maryland population. When possible, comparable national statistics are provided for benchmarking Maryland's resources and experience. This chapter also provides differences in demographics and health care resources to support information presented later relating variations in expenditures among the five regions of the state. The regions include the Baltimore Area, Maryland suburbs of Washington DC, Western Maryland, Eastern Shore, and Southern Maryland. Limited county-level information on health resources and demographics is also provided.

Chapter 3 presents the 1998 state health care expenditures in aggregate and per capita for the state. This chapter also discusses differences in spending by regions of the state and offers explanations of why these differences exist. These analyses allow policymakers to compare payers and providers based on shares of total expenditures and rates of growth, i.e. overall and per capita. Expenditures for Medicare, Medicaid, and the private sector are presented separately for health maintenance organizations (HMOs) and other private payers offering policymakers a better understanding of the differences across Maryland's two delivery systems. Out-of-pocket payment has become a rapidly increasing component of expenditures in recent years and is given particular attention in this chapter. This spending encompasses coinsurance, deductibles and uncovered services purchased by the insured, as well as all health care expenditures of the uninsured.

Chapter 4 highlights regional differences across the state broken out into five regions that share common characteristics, such as similar demographics, economic indicators, medical care costs, and utilization patterns. The chapter begins with a description of the regions and some basic information on each. It continues by exploring the extent to which expenditures vary across regions and how the distribution of expenditures vary by source of payment and type of service for each area.